

**PENINGKATAN EFISIENSI BIAYA PRODUKSI DENGAN
METODE *ACTIVITY BASED MANAGEMENT* PADA
PG PADJARAKAN PROBOLINGGO (*Improved Production Cost Efficiency
With Activity Based Management In The PG Padjarakan Probolinggo*)**

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ABSTRACT

The research was conducted on PG Padjarakan Probolinggo with research object is the financial and production staff in the PG Padjarakan. This study has three main objectives, the first aimed to explain the production activity in the PG Padjarakan. Second, classify activities that value added and non value added. Third applying the concept of Activity Based Management to improve the efficiency of production costs at the PG Padjarakan. The results of this study were: (a) PG Padjarakan perform production activities without considering the activities that have added value and non added value. (B) From the various production activities of the PG Padjarakan there are four non value added activities, include the weighing of raw materials, selecting the size of crystal sugar, sugar transport to the warehouse and the storage of sugar in the warehouse. (C) Applying the concept of Activity Based Management to improve the efficiency of production costs at the PG Padjarakan.

Keywords : Efficiency, Activity Based Management